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## India

### Agricultural Situation

### Weekly Highlights & Hot Bites, #49

2004

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**Report Highlights:**

\*E-Commerce for Indian farmers\*, \*BANGLADESH: Food deficit: Government to buy rice from abroad\*, \*India to submit revised offer on market access to WTO by May 2005\*, \*India opposes present WTO duty structure\*, \*Malaysian PM calls for FTA with India\*, \*Global food packaging norms forthcoming in India\*, \*Food policy aims to double India's share of global food trade\*, \*Processed food sector to surge by 117% by 2015\*.

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Includes PSD Changes: No  
Includes Trade Matrix: No  
Unscheduled Report  
New Delhi [IN1]  
[IN]

Welcome to Hot Bites from India, a weekly summary of issues of interest to the U.S. agricultural community. The report includes information that has been garnered during travel within India, reported in the local media, or offered by host country officials and agricultural analysts. Press articles are included in this report. Significant issues will be expanded upon in subsequent reports from this office.

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## **E-COMMERCE FOR INDIAN FARMERS**

E-Choupal, a path-breaking e-commerce project that provides farmers with market intelligence and enables them to sell their wares online, is being hailed by farmers while being disparaged by the traders. The concept can only succeed, however, if the government reforms existing archaic market regulations to provide farmers with unrestricted and direct access to the markets. (Source: Financial Express, 12/20/04)

## **BANGLADESH: FOOD DEFICIT: GOVERNMENT TO BUY RICE FROM ABROAD**

In the face of Bangladesh's anticipated food deficit, the Bangladeshi government has decided to import rice on an emergency basis through open tender. The Food Ministry hopes to finalize the quantity to be imported within a few days. The present government-held stock is 638,000 tons, which is around 200,000 tons short of a normal year's stock. This shortage apparently resulted from the Government's open market rice sales and its "vulnerable group" feeding program during October and November, effected to arrest the rising rice price. (Source: Informally translated from the Bangla Daily *The Amar Desh*, 12/23/04)

*Post comment:* The government's import quantity will likely be between 200,000 and 250,000 tons.

## **INDIA TO SUBMIT REVISED OFFER ON MARKET ACCESS TO WTO BY MAY 2005**

The minister of State for Commerce announced in Parliament that India will present its revised offer on negotiations relating to market access and national treatment commitments to the World Trade Organization by May 2005. (Source: Financial Express, 12/20/04)

## **INDIA OPPOSES PRESENT WTO DUTY STRUCTURE**

Developing countries, including India, have opposed a move by the developed countries to continue using the specific duty structure for agricultural products even after all members of the WTO shift to ad valorem structure. (Source: Business Standard, 12/21/04)

## **MALAYSIAN PM CALLS FOR FTA WITH INDIA**

The visiting Malaysian Prime Minister underlined the need for strengthening bilateral economic cooperation through a free-trade agreement with the government of India. He anticipated bilateral trade to cross \$4.5 billion during 2004-05.

*Post comment:* If provided, preferential access to Malaysian palm oil products will give a boost to Malaysian palm product exporters at the cost of their Indonesian counterparts, while posing a direct threat to exporters to India of other edible oils. In return, India is likely to request increased access for its carabeef (buffalo meat) to Malaysia, currently the largest carabeef market for Indian exporters. (Source: Times of India, 12/21/04)

**GLOBAL FOOD PACKAGING NORMS FORTHCOMING IN INDIA**

The government plans to mandate all packed foods sold in the country to conform to stringent international packaging norms laid out by the World Health Organization (WHO) and the Food and Agriculture Organization (FAO). A senior health ministry official said that the government would adopt the Codex Alimentarius Commission's standards. This will apply to all food and drinks except water. (Source: Economic Times, 12/18/04)

**FOOD POLICY AIMS TO DOUBLE INDIA'S SHARE OF GLOBAL FOOD TRADE**

The government has initiated steps to formulate a comprehensive food processing policy in an effort to double India's share in the global food trade to 2 percent by 2015. The move toward a new food processing policy is significant in view of the government's emphasis on the farm sector and rural industries. Efforts would be made to curtail waste of food products, estimated to be in excess of rs. 5000 billion (\$114 billion) per annum. Additional corrective actions include improving infrastructure bottlenecks such as storage, transportation, handling and processing. (Source: Economic Times, 12/21/04)

**PROCESSED FOOD SECTOR TO SURGE BY 117% BY 2015**

The turnover of India's processed food sector is expected to jump 117% to rs 11,500 billion (\$255 billion) by 2014/15, per a report that Rabo India Finance Pvt. Ltd submitted to the Ministry of Food Processing Ministry. (Source: Financial Express, 12/20/04)

*Post Comment:* The full report can be found at <http://mofpi.nic.in/visdoc/Volume%20I.htm> & <http://mofpi.nic.in/visdoc/Volume%20II.htm>

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